

STATEMENT OF CONSIDERATIONS

REQUEST BY THE ALUMINUM COMPANY OF AMERICA (ALCOA) FOR
AN ADVANCE WAIVER OF DOMESTIC AND FOREIGN PATENT RIGHTS
UNDER DOE COOPERATIVE AGREEMENT NO. DE-FC07-98ID13666;
W(A)-98-014; CH-0979

The Petitioner, Alcoa, has requested a waiver of domestic and foreign patent rights for all subject inventions arising from its participation under the above referenced cooperative agreement entitled "Industrial Energy Conservation R&D for Energy Efficient Aluminum."

The objective of this cooperative agreement is to design and develop a commercially viable and energy efficient aluminum production cell through the use of advanced anode and cathode materials that use O₂ evolving anodes and wetted cathodes to achieve a 30% reduction in energy usage. This program will be carried out under three bench and three pilot scales tests along with materials development activities. The materials development activities include work in developing advanced anodes and connections, advanced cathodes and connections, and improved side wall barriers and lids.

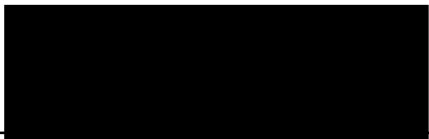
The total estimated cost of the cooperative agreement is \$3.9 million. The project will be cost shared with DOE, with Petitioner providing \$1.95 million for about 50% cost sharing. The waiver is contingent upon the Petitioner maintaining the above cost sharing percentages during the course of the agreement.

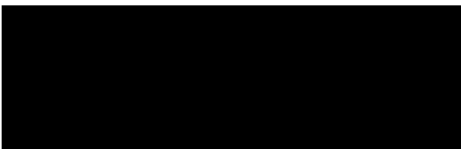
As noted in its waiver petition, Petitioner is currently a major world aluminum producer and is the largest domestic primary aluminum producer. In the smelting technology, Petitioner has numerous publications, as well as many active U.S. patents, in its portfolio. Petitioner represents that it invests over \$3 million a year in research and development related to the production of aluminum. Considering Petitioner's technical expertise, established market position, and significant investment in this technology including sizable cost sharing in this cooperative agreement, it is reasonable to conclude that Petitioner will continue to develop and ultimately commercialize the technology and products which may arise from this cooperative

Petitioner has agreed that this waiver shall be subject to the march-in and preference for U.S. industry provisions, as well as the U.S. Government license, comparable to those set out in 35 U.S.C. 202-204. Further, Petitioner has agreed to the U.S. competitiveness provisions as attached to this Statement. In brief, Petitioner has agreed that products embodying any waived invention or produced through the use of any waived invention will be manufactured substantially in the United States unless Petitioner can show to the satisfaction of the DOE that it is not commercially feasible to do so, and that Petitioner will not license, assign or otherwise transfer any waived invention to any entity unless that entity agrees to these same requirements. Additionally, Petitioner has agreed to contractor data licensing provisions as attached herein.

Referring to item 10 of the waiver petition, granting this waiver is not anticipated to have any adverse impact on competition. There are currently numerous designs, as well as competitors, in the field of aluminum production and efficient smelting technologies. The success of this cooperative agreement can be expected to stimulate further investment and competition in this technology.

Considering the foregoing, it is believed that granting this waiver will provide Petitioner with the necessary incentive to invest its resources in the commercialization of the results of the cooperative agreement in a fashion which will make the above technology available to the public in the shortest practicable time. Therefore, upon evaluation of the waiver petition and in view of the objectives and considerations set forth in 10 CFR Part 784, all of which have been considered, it is recommended that the requested waiver be granted.


Robert J. Fisher
Deputy Chief Counsel
Intellectual Property Law
Division

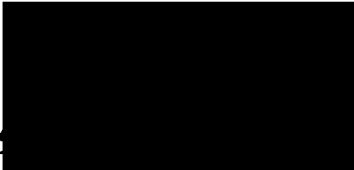

Daniel D. Park
Patent Attorney
Intellectual Property Law
Division

Date: 1/13/99

Date: 1/13/99

Based upon the foregoing Statement of Considerations and representations in the attached waiver petition, it is determined that the interests of the United States and the general public will best be served by a waiver of patent rights of the scope described above, and therefore the waiver is granted. This waiver shall not apply to any modification or extension of the cooperative agreement, where through such modification or extension, the purpose, scope or cost of the cooperative agreement has been substantially altered.

CONCURRENCE:



Kurt Sysson
Director, Office of Industrial
Technologies
EE-20

Date: 6/16/99

APPROVAL:



Paul A. Gottlieb
Assistant General Counsel
for Technology Transfer and
Intellectual Property

Date: 6-17-99

(c)(3)(ix) U.S. Competitiveness

The Contractor agrees that any products embodying any waived invention or produced through the use of any waived invention will be manufactured substantially in the United States unless the Contractor can show to the satisfaction of the DOE that it is not commercially feasible to do so. In the event that DOE agrees to foreign manufacture, there will be a requirement that the Government's support of the technology be recognized in some appropriate manner, e.g., recoupment of the Government's investment, etc. The Contractor agrees that it will not license, assign or otherwise transfer any waived invention to any entity unless that entity agrees to these same requirements. Should the Contractor or other such entity receiving rights in the invention undergo a change in ownership amounting to a controlling interest, then the waiver, assignment, license or other transfer of rights in the waived invention is suspended until approved in writing by the DOE.